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Summary record of the 25th meeting
Held at Headquarters, New York, on Thursday, 12 November 1998, at 3 p.m.

Chairman: Mr. Abelian ..... (Armenia)
later: Mr. Armitage (Vice-Chairman) ..... (Australia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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The meeting was called to order at 3 p.m.

Agenda item 113: Programme budget for the biennium 1998–1999 (*continued*)

Office accommodation at the Palais Wilson (A/53/302)

Financial arrangements associated with the dining room at the International Court of Justice (A/C.5/53/19)

Construction of additional conference facilities at Addis Ababa and Bangkok (A/52/579; A/53/7/Add.5 and A/53/347)

1. **Mr. Sach** (Director, Programme Planning and Budget Division) said that the report of the Secretary-General on office accommodation at the Palais Wilson (A/53/302) had been prepared in accordance with General Assembly decision 52/465 of 25 March 1998 by which the Assembly had approved the proposal of the Secretary-General to accept the offer of the Swiss authorities to place the office accommodation at the Palais Wilson in Geneva at the disposal of the United Nations. At the same time, the Assembly had requested a cost-benefit analysis on the use of the existing conference facilities available at the Palais des Nations in Geneva.

2. While the report did not provide a detailed cost-benefit analysis, it should be noted that the costs for the construction of the third conference room would be borne by the host Government and that the benefits would accrue to the United Nations. Although not quantified, those benefits included increased capacity for providing Governments with the necessary space for holding meetings, even during peak periods, and greater flexibility for scheduling meetings in a cost-effective manner, both at the Palais Wilson and at the Palais des Nations. There were already two conference rooms at the Palais Wilson. Given the number of meetings that took place each year in the field of human rights, an additional conference room would facilitate the timely scheduling of treaty bodies, open-ended working groups, boards of trustees and other meetings. With a total of three conference rooms at the Palais Wilson, the conference rooms at the Palais des Nations would be free to accommodate requests which it had previously been impossible to meet during peak months. The report did not contain any request for resources, and he suggested that the Committee might wish to take note of it.

3. The report of the Secretary-General on the financial arrangements associated with the dining room at the International Court of Justice (A/C.5/53/19) had been prepared in response to section III, paragraph 36, of General Assembly resolution 52/220, in which the Assembly had requested the Secretary-General to review those arrangements and to report thereon to the General Assembly at its fifty-third session. Since the arrangements had no impact on the regular budget and no changes were proposed in them, he suggested that the Committee might wish to take note of the report.

4. Under the third sub-item, which concerned the construction of conference facilities at Addis Ababa and Bangkok, the Committee had before it two progress reports contained in documents A/52/579 and A/53/347. The construction project at Bangkok having been completed in 1993 and the project costs having been capitalized and recorded under the United Nations Capital Assets Fund, he suggested that the Committee might wish to take note of the report in document A/52/579.

5. Document A/53/347 dealt with the conference facility at Addis Ababa, which had been completed in 1996, the inauguration ceremony having been held the previous April. The only outstanding item was the telecommunications system. During the testing phase, some deficiencies had been identified, but the contractor had been unable to rectify them because the required equipment had not been cleared from customs by the host Government. The contract for the telecommunications system provided for a warranty period of one year effective from February 1998. Discussions and negotiations with the host Government were continuing and both the Legal Counsel and the Executive Secretary of the Economic Commission for Africa (ECA) had been addressing the issue. It was expected that the contractor would be able to correct the remaining deficiencies within the warranty period if the items were cleared from customs. No additional resources were being requested in the context of the report. Since the telecommunications system had not been completed, progress reports would continue to be submitted to the General Assembly, but it was anticipated that all the remaining accounts would be finalized during the 1998–1999 biennium so that the construction account could be closed and the project capitalized. On that basis, he suggested that the Committee might wish to take note of the report in document A/53/347.

6. **The Chairman** invited the Committee to consider the three sub-items one by one. On the subject of the office accommodation at the Palais Wilson, he suggested that the Committee might wish to recommend to the General Assembly a draft decision to read as follows:

"*The General Assembly*,

"*Takes note* of the report of the Secretary-General on a cost-benefit analysis on the use of existing conference facilities available at the Palais Wilson at Geneva, contained in document A/53/302."

7. **Ms. Silot Bravo** (Cuba) requested more time to consider the draft decision, since it had not previously been available. She expected that her delegation would be in a position to take action on the draft decision within the next few days.

8. **The Chairman** said that, in view of that request, the Committee's decision on the draft decision would be postponed until a later date.

9. **The Chairman** invited the Committee to comment on the financial arrangements associated with the dining room at the International Court of Justice, in particular with reference to the report of the Secretary-General on that matter (A/C.5/53/19).

10. **Mr. Repasch** (United States of America) said that his delegation took note of the Secretariat's conclusion that the dining room was a successful innovation in the life of the Court but was concerned that the operation was running at a deficit. He requested additional information on that matter, particularly as to the extent of the loss and the prospects for improvement. In that connection, he referred to the stipulation of the General Assembly in 1984 in its resolution 39/67 to the effect that catering arrangements should be financially self-supporting to the extent possible.

11. With specific reference to the report, he drew attention to paragraph 8, which stated that judges and other users of the dining room paid for their lunch "at full cost". In that connection, he asked whether the full cost included just the cost of the food or whether it also included the cost of the utilities and other services related to the operation of the facility. In his delegation's view, the United Nations should not be subsidizing restaurant facilities at the International Court of Justice or at any other United Nations location. The report of the Office of Internal Oversight Services in 1997 on Headquarters catering operations should also set the standard for the dining premises at the International Court of Justice.

12. **The Chairman** said that, in the light of the comments made by the representative of the United States of America, the matter would be considered further by the Committee in informal consultations.

13. He invited the Committee to comment on the annual progress reports of the Secretary-General on the construction of conference facilities at Addis Ababa and Bangkok, contained in documents A/52/579 and A/53/347.

14. **Mr. Repasch** (United States of America), referring to the statement by the Director of the Programme Planning and Budget Division, asked about the problems that had arisen with respect to the provision of spare parts and the passage of equipment through customs, a matter which was also covered in the report (A/53/347, paras. 6–14). He asked for clarification as to the terms of the warranty which, in the view of his delegation, should begin to run when the system became operational, and not at some earlier date.

15. **Mr. Sach** (Director, Programme Planning and Budget Division) said that, while it might have been desirable for the contract to specify that the one-year warranty would run from the date of installation, it had in fact specified that the warranty would run from the date of shipment. The equipment had been shipped in February 1998 and the one-year period was therefore nearly expired. The United Nations was not in a position, at the present stage, to try to vary the terms of the contract.

16. **The Chairman**, in the absence of further comments, suggested that the Committee should recommend to the General Assembly the following draft decision:

"*The General Assembly*,

"*Takes note* of the report of the Secretary-General on the annual progress report of the Secretary-General on the construction of conference facilities at Addis Ababa and Bangkok, contained in documents A/52/579 and A/53/347, and *endorses* the recommendations of the Advisory Committee on Administrative and Budgetary Questions contained in paragraph 5 of its report (A/53/7/Add.5)."

17. *It was so decided.*

Agenda item 163: Financing of the United Nations Observer Mission in Sierra Leone (A/53/191, A/53/454 and A/53/654)

18. **Mr. Yeo** (Director, Peacekeeping Financing Division), introducing the report of the Secretary-General (A/53/454), said that the cost estimates contained in the report were the first to be submitted for the United Nations Observer Mission in Sierra Leone (UNOMSIL) and related to requirements for the establishment, operation and maintenance of UNOMSIL for the period 13 July 1998 to 30 June 1999. The total estimated amount of $24,323,500 gross included $783,700 gross related to the cost of strengthening the Office of the Special Envoy of the Secretary-General for the period 17 April to 12 July 1998,

$14,084,900 gross for the establishment and operation of the Mission for the current mandate period, 13 July 1998 to 13 January 1999, and $9,454,900 gross for the maintenance of UNOMSIL for the period from 14 January to 30 June 1999, which was equivalent to a monthly rate of $1,688,375 gross.

19. The total cost estimates comprised $5.9 million in non-recurrent start-up costs and $18.4 million in recurrent costs. Some 49 per cent of the total budget were based on costs and ratios contained in the standard cost and ratio manual, while 51 per cent was based on mission-specific costs and ratios. The resource requirements were based on the phased deployment of 188 military and civilian personnel consisting of 85 military observers, 5 civilian police advisers, 50 international civilian personnel and 48 locally recruited staff.

20. UNOMSIL had completed the first phase of the deployment of its military component the previous August. Subsequently, as reported in paragraphs 49 and 50 of the second progress report of the Secretary-General to the Security Council on UNOMSIL (S/1998/960), the security situation in Sierra Leone had not improved significantly and, largely for that reason, the progress made by the Government in carrying out its disarmament, demobilization and reintegration programme had been less than was hoped for. In paragraph 52 of the same report, the Secretary-General had indicated his intention to deploy additional observers only after taking full account of the security situation. The delay in the implementation of the second and third phases of the deployment of the military observers had resulted in cost reductions of $241,500 under military personnel costs. In addition, in the light of revised information provided by the Board of Auditors, provision under audit services had been reduced by $4,700, making a total cost reduction of $246,200. Those reductions, which had occurred after the publication of the Secretary-General's financing report (A/53/454), had been noted by ACABQ, which had taken them into account in reaching its recommendations.

Agenda item 144: Report of the Secretary-General on the activities of the Office of Internal Oversight Services (*continued*) (A/51/432, A/51/530 and Corr.1 and A/51/801; A/52/426 and A/52/464; A/53/428)

21. **Mr. Lozinsky** (Russian Federation) said that his delegation considered that the reports of the Office of Internal Oversight Services (OIOS) were self-explanatory and did not call for any particular comments by Member States. Of far greater importance was the implementation of the recommendations of OIOS in every area of the Organization's activities that needed to take corrective action or to increase its efficiency. In that connection, his delegation welcomed the continuing increase in the proportion of OIOS recommendations that had been implemented.

22. His delegation took note of the priority areas for oversight activities indicated in the fourth annual report (A/53/428, annex) and attached importance to the Office's audits of peacekeeping operations. In that context, procurement activities, as well as mission deployments and liquidations, still required particular attention.

23. The inclusion of human resources management in the list of priority areas for OIOS activities was welcome, particularly in the context of the personnel policy reform that had been initiated by the Secretary-General. It was to be hoped that the recommendations of the Office in that area would improve the situation, for example, with respect to the recruitment of staff, and that OIOS would continue its efforts to correct shortcomings in the field of human resources management.

24. His delegation continued to believe that the thematic reports by OIOS would be best considered under the corresponding agenda items. At the same time, it noted the satisfactory coverage of widely varying activities of the Organization. While supporting the continuation of such broad coverage, his delegation also emphasized the need for more detailed study of control and oversight issues which would subsequently lead to recommendations in areas of key importance for the Organization and its Member States.

25. In conclusion, he said that, without wishing to cast doubt on the decision to discuss various aspects of the reports and work of OIOS under three separate agenda items, his delegation felt that it might be desirable to bring all the key areas of the work of the Office within the framework of consultations. In particular, the review of General Assembly resolution 48/218 B should be directly linked with the quality of the Office's work and with reports considered under other agenda items. His delegation was, as always, willing to be flexible in approaching negotiations on that matter, the main objective being to arrive at an outcome that would, to the greatest extent possible, reflect the views of all Member States and confirm the commitment of the General Assembly to a strong and efficient United Nations.

26. **Mr. Gjesdal** (Norway) said that the fact that the fourth annual report of OIOS (A/53/428, annex) had been issued without attracting media allegations of the prevalence of mismanagement, waste and petty corruption in the United Nations, as had happened in previous years, was a clear indication that the proactive approach of the Office had increased public confidence in the Organization. Its achievements provided assurance that both the Secretariat

and the Organization's funds and programmes were being managed in a satisfactory manner.

27. His delegation was especially interested in following the general direction and acceptance of oversight in the area of humanitarian activities, and in particular of that of the Office of the United Nations High Commissioner for Refugees (UNHCR). His Government had worked closely with UNHCR and the members of the UNHCR Executive Committee to increase transparency and accountability in all aspects of the Office's financial and operational management and was satisfied that the annual report of OIOS confirmed the effectiveness of the constructive efforts of the High Commissioner to respond to earlier observations by the Office and by the Board of Auditors.

28. The previous year, his delegation had expressed its distress at learning that the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) had been defrauded of a considerable sum of money during the period 1992–1995 and had noted assurances by OIOS that internal controls were being strengthened at the Agency. The latest annual report provided information on action by UNRWA to address the core recommendations made by OIOS following its review of management and its administrative practices in 1995. His delegation agreed with the Office that UNRWA continued to be burdened with lingering management problems stemming primarily from the complex political environment in which it functioned and its severe budgetary constraints. In his delegation's view, the geographical dispersion of the Agency's programmes and organizational entities called for particular emphasis on communications and openness.

29. It was encouraging to learn that OIOS had found the International Criminal Tribunal for Rwanda to be functioning far more effectively than in the previous year, even though there were continuing problems in some areas. Improved support to the Tribunal was being provided by the Office of Legal Affairs and the Department of Management, which had established a separate focal point for the Tribunal. It was to be hoped that the establishment of a third Trial Chamber would enable the Tribunal to further improve its effectiveness.

30. **Mr. Lim Jung-taek** (Republic of Korea) said that his delegation was gratified that the working methods of internal oversight had become well established in the Organization and were now part of its management culture. The Office was cooperating and coordinating its programme with other oversight bodies, including the Board of External Auditors and the Joint Inspection Unit. Moreover, the implementation rate for audit recommendations had increased to 73 per cent and the number of published reports and the demand for such reports by the legislative bodies was continuing to increase.

31. His delegation noted two significant steps taken by OIOS to enhance internal controls in the Organization, namely the promulgation of new Guidelines for Programme Monitoring and Evaluation and an effort to introduce the internal control standards developed by the International Organization of Supreme Audit Institutions. He believed those measures would strengthen the oversight functions of the Office. His delegation also welcomed the inclusion of human resources management among the priority areas for oversight, in addition to peacekeeping, humanitarian activities and procurement.

32. **Ms. Silot Bravo** (Cuba) said that her delegation trusted that the review of resolution 48/218 B would enable the General Assembly to take action on the pending annual reports of OIOS and on a number of its thematic reports. Member States had adopted that resolution because of the need to improve and delimit more clearly the functions of the unit responsible for oversight so that it could discharge its mandates more effectively.

33. The preface to the current annual report (A/53/428, annex) contained a request for an additional post for the monitoring of the Office's recommendations, together with a few additional posts for the Audit and Management Consulting Division. It was regrettable that an annual report should be used to submit budgetary requests, for such a procedure might be interpreted as discrimination against other areas of the Secretariat. When submitting the report the Secretary-General should have commented on that point. More information about the requests and a justification of the additional posts would be welcome.

34. Paragraph 10 of the report referred to a conference on oversight matters held in Montreux under the sponsorship of the Swiss Government. It was bad practice to refer in an official document to an event, in the present case questioned by some Member States, which had not been organized by the United Nations. Her delegation hoped that the action to be taken by the Committee on the item would reflect its concern on that point.

35. Decisions were still pending on ways of improving the internal oversight of funds and programmes on the basis of the existing controversial interpretation of the mandate established in paragraph 11 of resolution 48/218 B. While such supervision did indeed require improvement, the process should not be an inflexible one but should take into account the different needs and institutional arrangements of each fund and programme.

36. The first table following paragraph 15 of the report showed that cost savings of some $10.3 million had been made as a result of the OIOS recommendations, and the previous annual report had mentioned a figure of about $10.1 million. Her delegation would welcome information about the activities and budget sections in which the cost savings had been made and how such savings related to activities in the biennium 1996–1997 which had not been implemented or had been deferred for lack of resources.

37. Although the report stressed that there had been an increase in the implementation rate of the OIOS recommendations, it gave no information about the status of recommendations which did not have the support of programme managers. She requested information in writing about such recommendations, including the managers' views and how they had been taken into account, and details of the procedure followed in such cases. It was necessary to improve the implementation of the recommendations not supported by programme managers, and the annual OIOS reports should contain information on that point.

38. She noted with concern the Office's comments on deficiencies in the recruitment of personnel at Headquarters and requested more information with respect in particular to the lack of transparency and the delegation of authority in human resources matters. Since the General Assembly was examining the reform of human resources management, it would have been useful to have had more specific recommendations from the Office on the impact of the delegation of authority on the deficiencies in question.

39. According to paragraph 81 of the report, the OIOS recommendations on the use of consultants were reflected in the guidelines prepared by the Office of Human Resources Management (OHRM) which the Secretary-General intended to submit to the Advisory Committee and the Fifth Committee. That intention was in keeping with the requirement that all the OIOS recommendations requiring legislative action should be submitted to the relevant intergovernmental organs. Her delegation would give its views on the matter during the consideration of item 119 on human resources management.

40. Further improvements were needed in the cooperation between the Office and the external oversight bodies. In that connection, the provisions of paragraph 5 (c) (iii) of resolution 48/218 B must be fully implemented by all the oversight bodies.

41. **Mr. Ayoub** (Iraq) said that his delegation was concerned by the remarks made by the Under-Secretary-General for Internal Oversight Services, in response to the questions asked by certain delegations about the investigation conducted by the Investigations Section into two Secretariat staff members, as referred to in paragraph 143 of the report of OIOS (A/53/428, annex). Having learned that the matter had been leaked to the media and that details of it, including the nationalities of the staff members had been revealed on the Internet, he wished to make a number of points. The detailed information given in the media reports on the investigation confirmed that they had been leaked by OIOS itself, since the latter was the sole repository of that information, which should have remained confidential. The information had been leaked even before the issue had been discussed by the Fifth Committee. The references to the nationalities of the two staff members involved had been intended to denigrate their two countries, and the information had been publicized with a view to prejudicing the outcome of the investigation. He requested that urgent measures should be taken to establish how it had been possible for that information to be leaked to the media and to apportion responsibility for the leak. His delegation wished to receive written notification of the results of the measures.

Other matters

42. **Ms. Buergo Rodríguez** (Cuba) said that under item 119 several delegations had requested that the Advisory Committee should consider the Secretary-General's report on human resources management reform (A/53/414) and report thereon to the Fifth Committee. However, the Advisory Committee was apparently not intending to do so. She would therefore like to know what action the Secretariat had taken in the matter. The general discussion of item 119 should not be closed and the informal consultation should not begin until a report had been received from the Advisory Committee.

43. *Mr. Armitage (Australia), Vice-Chairman, took the Chair.*

44. **Ms. Ng** (Panama) said that her delegation endorsed the comments made by the representative of Cuba. The Advisory Committee should also report under item 119 on documents A/53/327, 385, 526 and 548.

45. **Mr. Acakpo-Satchivi** (Secretary of the Committee) said that the Advisory Committee was already considering the four documents mentioned by the representative of Panama and its reports would be available shortly. He could confirm that the Committee would not conclude its general discussion of item 119 until it had received and considered all the relevant ACABQ reports.

46. **Mr. Sial** (Pakistan) said that the Advisory Committee should indeed consider the report on human resources

management reform. His delegation would also welcome information about the status of the pending ACABQ report on annex II of the Secretary-General's report on the Development Account (A/52/1009).

47. **The Chairman** said that the Secretariat would seek information about the Development Account report.

48. **Mr. Acakpo-Satchivi** (Secretary of the Committee) said that at the Committee's 14th meeting it had in fact been the representative of Tunisia, supported by the representative of Cuba, who had requested that the Advisory Committee should report on document A/53/414. The Chairman of the Fifth Committee had so informed the Chairman of the Advisory Committee, who had replied that the document dealt exclusively with policy matters and should therefore be considered directly by the Fifth Committee. The Chairman intended to invite the Chairman of the Advisory Committee to explain to the Fifth Committee at its next meeting the reasons for his position.

49. After a further discussion, in which **Mr. Sial** (Pakistan), **Ms. Incera** (Costa Rica) and **Ms. Buergo Rodríguez** (Cuba) took part, **Mr. Moktefi** (Algeria) proposed that the Committee should take a formal decision to request the Advisory Committee to report to it on the Secretary-General's report on human resources management reform (A/53/414).

50. **The Chairman** said that, if he heard no objection, he would take it that the Committee wished to adopt the proposal of the representative of Algeria.

51. *It was so decided.*

52. **Ms. Incera** (Costa Rica) said that she had unfortunately not been present at the Committee's 24th meeting when the Secretary had read out a letter from the Chief of Security and Safety Services in response to questions raised by the delegations of Costa Rica and Egypt about the use of the United Nations garage. However, she had seen press releases on the matter, and the letter had apparently not answered her main questions: specifically, who had decided that only permanent representatives could use the 41st Street entrance and what was the legislative mandate for that decision?

53. Turning to another building management matter, she noted that several escalators had been out of use throughout the summer because new equipment was being installed, but now some of them did not work. The same problem had arisen with some of the elevators: the new equipment was worse than the old. She would like to know on what basis the contracts for the work in question had been awarded.

54. **Mr. Acakpo-Satchivi** (Secretary of the Committee) said that he would give the representative of Costa Rica a copy of the letter which he had read out and would convey her further comments to the Chief of Security and Safety Services.

The meeting rose at 4.35 p.m.